

To: Section 42 Property Owners and Property Managers

Notice: **RED-12-13**

From: Real Estate Department

Date: March 12, 2012

**Re: Emergency Housing Relief – Suspension of Section 42 Income Verification & Transient Requirements**

In accordance with Revenue Procedure 2007-54, the Indiana Housing and Community Development Authority is permitting all Owners of Section 42 properties within the State of Indiana to provide temporary emergency housing to individuals affected by the recent floods and tornados.

Temporary emergency housing means housing displaced low-income Individuals for a period not to exceed 4 months beyond the date of the President's major disaster declaration. An individual is a displaced individual if the individual was displaced from his/her principal place of residence as a result of a major disaster and the principal place of residence is in a city, county, or other local jurisdiction designated for Individual Assistance by FEMA as a result of the major disaster.

On March 9, 2012 the President declared major disaster areas for the following counties:

Clark	Jefferson	Ripley	Scott	Warrick	Washington
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Requirements for Owner: The temporary housing of displaced low-income individuals in low-income units without meeting the documentation requirements of §1.42-5(b)(1)(vii) will not cause the building to suffer a reduction in qualified basis that would cause the recapture of low-income housing credits, provided the owner ensures the following requirements are met:

(1) Temporary Self-Certification of Income Requirements: An Owner may rely on a displaced low-income individual's self-certification of income eligibility signed under penalties of perjury in applying for temporary tenancy in the building as a result of a major disaster declaration as defined in section 4 of this revenue procedure. The self-certification shall provide that such individual's income will not exceed the applicable income limits of § 42 at the beginning of the individual's tenancy. The self-certification shall not extend for more than 4 months beyond the date of the President's major disaster declaration. The self-certification may be relied on by the Owner for purposes of determining the building's qualified basis under § 42(c)(1), and for

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purposes of satisfying the project's 20-50 or 40-60 minimum set-aside requirement as elected by the Owner under § 42(g)(1). During the 4-month self-certification period, the self-certified tenant is deemed a qualified tenant. After the 4-month self-certification period, the Owner must obtain all required documentation required under § 42 to support the tenant's continued status as a qualified low-income individual.

(2) Self-Certification of Status as Displaced Individual: An Owner may rely on an individual's certification signed under penalties of perjury that the individual was displaced from his/her principal place of residence as a result of a major disaster and the principal place of residence is in a city, county, or other local jurisdiction designated for Individual Assistance as a result of the major disaster. The IHCD form entitled "Affidavit of Displacement" must be used.

(3) Recordkeeping: To comply with the requirements of § 1.42-5, Owners must maintain and certify certain information concerning each displaced low-income individual temporarily housed in the project, specifically: name, address of damaged residence, social security number, the temporary self-certification of income, and the self-certification of status as a displaced individual. The Owner must also maintain and report to the Agency at the end of the emergency housing period a list of the names of the displaced individuals, and the dates the displaced individuals began and ceased temporary occupancy. This information shall be provided to the Service upon request.

(4) Rent Restrictions: Rents for the low-income units housing displaced individuals must not exceed the existing rent-restricted rates for the low-income units established under § 42(g)(2).

(5) Protection of Existing Tenants: Existing tenants in occupied low-income units cannot be evicted or have their tenancy terminated as a result of efforts to provide temporary housing for displaced individuals.

(6) Suspension of Non-Transient Requirements: The non-transient use requirement of § 42(i)(3)(B)(i) shall not apply to any unit providing temporary housing to a displaced individual during the 4-month temporary emergency housing period described in this section 11 of this revenue procedure.

(7) Additional Owner Requirements:

- a) Must list the property on [www.indianahousingnow.org](http://www.indianahousingnow.org)
- b) When updating the tenant event at [www.ihcdaonline.com](http://www.ihcdaonline.com), include a comment in the "Note Section" that the tenant is a displaced resident from the severe storms or tornadoes during the period of February 29, to March 3, 2012.
- c) Complete the Disaster Tenant Tracking Report and submit it to Ryan Splichal at [rysplichal@ihcda.in.gov](mailto:rysplichal@ihcda.in.gov) by July 31, 2012.



If you have any questions please feel free to contact:

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